GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:536
ANSWERED ON:03.05.2005
NEWSPRINT PRICE
Karunakaran Shri P.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

e:

(a) Whether the Government is aware that there is abnormal increase in the price of newsprint in the recent past;

(b) If so, the details and the reasons therefor;

(c) whether the Government is aware of the problems of the small and medium newspapers facing serious crisis due to the price rise; and

(d) if so, the steps initiated to remedy the situation?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (d) : A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 536 for answer on 03.05.2005.

(a) to (d) Newsprint manufacturing is a delicensed industry. The Government does not exercise any statutory control over the price of newsprint produced indigenously. The domestic price is driven entirely by market forces. Import of newsprint, which is a delicensed item, was decontrolled with effect from 1.5.1995. Import of all varieties of newsprint including the glazed variety is allowed on OGL with actual user condition. The relevant statistics for the last five years for different types of newsprint produced / imported are as under:-

Year	Domestic Production (Lakh MT)	Imports (Lakh M.T.)	Exports (Lakh M.T.)	Domestic Price (Rs./Ton)	% Change (+ / -)
2000-01	6.33	4.45	0.11	23695	
2001-02	6.20	4.47	0.11	24339	+2.7%
2002-03	6.27	5.38	0.06	20289	-16.6%
2003-04	6.84	7.59	0.03	22259	+9.7%
2004-05	6.03 (upto Jan,05)	3.93 (upto Oct.04)	0.02 (upto Sept.04)	24418	+9.7%

{ Source: CMIE/INMA}

The Government grants excise duty exemptions to those mills which satisfy certain mandatory conditions like production as per BIS standards etc. by including their names in the Schedule to the Newsprint Control Order, 2004. The Government levy custom duty of 5% on imported newsprint.